



Staff Report

Agenda Item: **FINANCIAL OPERATION GUIDE UPDATES-** Discussion and consideration regarding updates to the Financial Operations Guide for the Town of Clarkdale.

Meeting Date: 8/31/2010

Prepared By: Linda Peterson, Finance Supervisor
Kathy Bainbridge, Finance Director

Background: The purpose of the Financial Operation Guide (FOG) is to set policies and procedures established to govern and to implement fiscal policy and financial management related to the Town of Clarkdale. The general purpose of this document is to provide a working guide to established financial policies and procedures.

The Financial Operations Guide (FOG) working group, made up of representatives from various departments, reviewed the Introduction, Payroll, Cash Receipts, and Cash Disbursements sections of the FOG. Since the last update to these sections was in 2002, there were many changes referencing new staff positions, new accounting software and the actual working processes currently being used.

Recommendation: Approval of the Introduction, Payroll, Cash Receipts, and Cash Disbursements sections of the Financial Operations Guide as presented by staff.

SUBJECT: INTRODUCTION

PURPOSE: The purpose of this manual is to set forth those policies and procedures established to govern and to implement fiscal policy and financial management related to the Town of Clarkdale. The general purpose of this document is to provide a working guide to established financial policies and procedures.

I. RESPONSIBILITIES

Clarkdale's Town Code charges the Town Clerk and/or the Town Manager with implementing the financial policies of the Town Council. All matters discussed in this operations guide shall be carried out within applicable laws and regulations, and with generally recognized principles of good financial management and accounting.

Town employees not following the policies and procedures set forth in this manual may be subject to discipline, as in the Employee Policy and Procedure Manual.

II. AMENDMENTS

This guide is written in sections, by subject, allowing flexibility for revision. The revision number and the effective date of the revision will be noted at the top right hand corner of each page.

III. COMMENTS/CLARIFICATION OF POLICY

All comments and requests for clarification of this guide should be addressed to the Finance Department.

IV. OTHER TOWN POLICIES

For additional policy information, see the Town's separate policies as follows:

1. Town Code
2. Records Retention Plan
3. Personnel Policy and Procedures

SUBJECT: PAYROLL

POLICY: To establish standard procedures for the disbursement of funds to employees of the Town of Clarkdale for work performed for the Town, to insure that all financial accounting practices are authorized and accounted for properly.

PROCEDURES:

I. INITIATION, STATUS CHANGES and PAYROLL WITHHOLDINGS

Original authority for placing an employee on the payroll, authority to execute any change of employee status, or authority to remove an employee from the payroll will be recorded on a properly executed "Personnel Action Report" (Exhibit A). Authority for initial federal and state income tax withholdings and subsequent changes will be recorded on a properly executed "Employee Withholding Allowance Certificate W-4" form (Exhibit B) and "Employee's Arizona Withholding Percentage Election A-4" form (Exhibit C). The original authority for court ordered withholdings shall be by copy of the court order. The Accounting Clerk shall enter the initial or change in status and the initial or change in withholding information into the computer payroll program and initial each document entered. The documents shall then be placed in the employee's personnel file.

II. RECORDS

A. Employee Personnel File

The originals of the following forms are kept in the Employee's Personnel File:
Personnel Action Forms
Federal Withholding Form (W-4)
Arizona Withholding Form (A-4)
Employment Verification Form (I-9)

The copies of the following forms are kept in the Employee's Personnel File:
Arizona Retirement Enrollment Forms
Court Orders
Health Insurance Enrollment
Any miscellaneous authorized deductions or financial documents

B. Employee Payroll File (Finance Department)

The Accounting Supervisor or Accounting Clerk maintains a payroll file for each employee kept by fiscal year. The following documents will be in the payroll file:
Employee timesheet
Copy of paystub or direct deposit stub

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III. PAY PERIODS

All Town of Clarkdale employees have a bi-weekly pay period from 12:01 a.m. Sunday of one week through 12:00 a.m. Saturday of the following week shall be used for all employees.

IV. TIMESHEETS

A "Timesheet" form (Exhibit D) shall be completed and signed by each employee and submitted to their supervisor for review and approval on a bi-weekly basis by documenting the number of hours worked in the various categories on their "Timesheet" form. If a correction needs to be made to the "Timesheet" form, the incorrect entry shall be lined out and the correction written next to it. All changes shall be initialed by the employee and their supervisor prior to its submission to Finance. "Timesheet" forms shall not contain white-out.

The "Timesheet" forms for the pay period shall be collected by the person so designated in each department and turned into the Finance Department by 10 A.M. on the first Monday after the end of the pay period, unless notified in advance by the Finance Department of a date change.

V. PERSONAL TIME OFF , ILLNESS BANK OR COMP TIME

For policies regarding calculations for Hours of Work, Attendance, Holidays and Supervision, Paid Time Off (PTO), Illness Bank (IB), Absent Without Leave, Jury Duty, Military Duty and Maternity Leave, and Overtime, refer to the Town of Clarkdale Personnel Policies and Procedure Manual.

Any employee requesting time off shall fill out a "Request for P.T.O." form (Exhibit E) and have it approved by his or her supervisor. The employee will report the time off on the "Timesheet" form.

Comp Time will be used before any Personal Time Off (PTO) accumulation is to be used.

Any approved Paid Time Off (PTO) hours shall be included on the "Timesheet" form on the designated Paid Time Off (PTO) line.

Any approved Illness Bank (IB) hours shall be included on the "Timesheet" form on the designated Illness Bank (IB) line.

If the employee is eligible and needs to use Illness Bank (IB) hours, and is unable to complete a "Timesheet" form due to a valid reason, the authorizing supervisor shall fill in

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the appropriate hours to be paid. Within five days of returning to work, the employee shall go to the Finance Department to sign the "Timesheet" form completed by supervisor.

VI. DATA ENTRY AND PAYROLL REGISTER

Hours worked and the account and project numbers for the work done are entered into the INCODE Payroll module by the Accounting Supervisor or Accounting Clerk from the approved "Timesheet" forms. Once all hours, account and project numbers have been entered, the net payroll is calculated and a Preliminary Calculation Report is generated. The register is then checked for accuracy by the Accounting Supervisor or Accounting Clerk. If correct, the Preliminary register is filed and payroll is approved and posted. If needed, corrections are made to the hours, accounts or project numbers and the procedure is repeated.

VII. CHECK RUN, SIGNING AND DISBURSEMENT

The Accounting Supervisor or Accounting Clerk generates the payroll checks and/or direct deposit stubs, and Final Check Register.

The Direct Deposit List and checks are forwarded to the Mayor (or Vice Mayor) for elected official signature and then to the Town Clerk or the Town Manager for staff signature.

On the first Thursday after the end of the pay period, the direct deposit stub or original paycheck is held in the Finance Department for the employee to pick up. If a physical check is cut for the employee, they must pick the check up in the Finance Department. If a person other than the employee is to pick up a payroll check, a written statement must be on file authorizing someone other than the employee to pick up the check, and the person picking up the check shall sign a log acknowledging receipt. If direct deposit stubs have not been picked up during payday, they are placed in Department Head's mailbox located in the Administration Building for department distribution.

The "Timesheets" are then attached to the copies of the direct deposit stub or check and filed in the appropriate "Employee Payroll File" located in the Finance Department.

VIII. FISCAL YEAR END PROCEDURES

When the final fiscal year end payroll crosses both fiscal years, the expenditures are allocated to each fiscal year based on number of days in each period. When processing the final payroll, INCODE allows the option to allocate between each fiscal year. The

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Accounting Supervisor or Accounting Clerk will input a percentage and change all payroll direct payables to regular payables.

IX. QUARTERLY REPORTS AND YEAR END W-2 PROCEDURES

Quarterly reports are prepared by the Accounting Supervisor or Accounting Clerk. Once the fourth quarter reports have been prepared and balanced, the Accounting Supervisor or Accounting Clerk reconciles final W-2 amounts to the quarterly reports. The Accounting Supervisor reviews and approves the reconciliation and then prints the W-2s for distribution to employees and the IRS.

X. PAYROLL LIABILITY ACCOUNTS

The Accounting Supervisor or Accounting Clerk reconciles the payroll liability accounts and prepares any necessary adjustments at least quarterly. The Finance Director reviews these reconciliations and approves any required adjustments.

Exhibit A
Personnel Action Report

Employee Name: _____ Title: _____

Effective Date: _____ Employee #: _____ Probation Period Ends: _____

Please record the following action:

- ☐ New Hire: Starting Pay Rate _____ per hour or _____ per month
☐ Full Time
☐ Seasonal/Temporary, _____ hours per week
☐ Part Time, _____ hours per week
- ☐ Change in position from: _____ To: _____
- ☐ Change in pay rate from: _____ per _____ To: _____ per _____
- ☐ Authorize overtime pay at time and ½ for _____ hours
- ☐ Authorizing successful completion of Probation
- ☐ Extension of Probation period to _____
- ☐ Disciplinary action taken:
☐ Oral Reprimand
☐ Written Reprimand (attached)
☐ Temporary Suspension - list dates _____
☐ Pay Rate/Position Demotion
☐ Terminate Employment
☐ Loss or Reduction of Pay
☐ Return to Probation

Comments: _____

Employee acknowledges above changes by signing below and further acknowledges that he or she has:

1. Read the Town of Clarkdale's Policy Against Harassment (printed on reverse)
2. Does not have any questions about the Harassment Policy or knows who to contact with questions
3. Is not aware of someone being harassed
4. Knows how to file a harassment complaint
5. Knows who to file a harassment complaint with

Employee Signature

Department Head Signature

Supervisor Signature

Town Manager Signature

----- Finance Department Use Only -----
☐ Entered into computer: Date _____ By: _____

Exhibit A

Section 16 of the Personnel Policy - Policy Against Harassment

16.1 Policy Against Harassment

The Town of Clarkdale, consistent with its commitment to provide equal employment opportunities, will not tolerate any form of employee harassment, including sexual harassment, harassment based upon race, gender, national origin, religion, age, or disability. Harassment is unlawful activity and is prohibited by Title VII of the Civil Rights Act of 1964.

- A. Sexual Harassment. Sexual harassment is defined as any unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when
 - (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
 - (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individuals, or
 - (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.
- B. Other Harassment. Any conduct which has the purpose or effect of unreasonably interfering with an individual's work performance or creating any intimidation, hostile, or offensive work environment, based on the individual's race, gender national origin, religion, age, or disability, is also unlawful and will not be tolerated.
- C. Education. The personnel director shall be responsible for formally notifying all employees, department directors, elected officials, volunteers, and contractors/vendors of the existence of this policy. The personnel director shall periodically conduct training on the topic of offensive behavior/harassment, and attendance will be mandatory for all employees and will be offered to elected or appointed officials and others.
- D. Implementation. The Town Manager and Department Heads are responsible for creating a productive work environment in which offensive conduct or harassment is completely out of place, taking immediate and appropriate corrective action on all confirmed violations of this policy, and assuring that no reprisals are taken against those who complain or against corroborating witnesses.
- E. Enforcement. The municipality is committed to thoroughly investigate each complaint and take immediate and appropriate corrective action on all confirmed violations of this policy. The personnel director is responsible for auditing the operation of this policy, providing counsel, and resolving any unsettled questions which may arise from this policy. The Town Manager is responsible for ensuring the thorough investigation and resolution of complaints.

16.2 Reporting Possible Harassment

Any employee who feels that he or she has been harassed should immediately contact either their supervisor or department, or the Town Manager to report the situation.

All other employees, including supervisors or Department Heads who become aware of possible harassment of an employee, either as a result of having received a complaint directly from the employee or from any other reliable source of information, or from his or her personal observations, should report the situation to the Town Manager.

16.3 Investigation

The Town Manager, or his or her designee, shall be responsible for overseeing the investigation of any complaint of harassment. The goal will be to investigate any such complaint promptly and thoroughly. Furthermore, to the extent possible, a harassment complaint, as well as the investigation of any such complaint, shall be kept confidential. Following the investigation, the Town Manager shall take (or recommend, if appropriate) appropriate corrective action on all violations of this policy against harassment.

16.4 No Reprisals.

No reprisals of any kind by any employee shall be taken against an employee because that employee has asserted a complaint or against any witness because that individual has reported or has assisted in any way in the investigation of a harassment complaint.

16.5 Penalties.

Any violation of this policy will result in appropriate discipline being taken. The appropriate action to be taken necessarily will depend on consideration of all the circumstances in a particular situation.

Exhibit B

Form W-4 (2010)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2010 expires February 16, 2011. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds \$950 and includes more than \$300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on his or her tax return.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax

payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the amount you are having withheld compares to your projected total tax for 2010. See Pub. 919, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for yourself if no one else can claim you as a dependent	A _____
B	Enter "1" if: <div style="display: inline-block; vertical-align: middle;"> <ul style="list-style-type: none"> • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less. </div>	B _____
C	Enter "1" for your spouse . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C _____
D	Enter number of dependents (other than your spouse or yourself) you will claim on your tax return	D _____
E	Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above)	E _____
F	Enter "1" if you have at least \$1,800 of child or dependent care expenses for which you plan to claim a credit	F _____
(Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)		
G	Child Tax Credit (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> • If your total income will be less than \$61,000 (\$90,000 if married), enter "2" for each eligible child; then less "1" if you have three or more eligible children. • If your total income will be between \$61,000 and \$84,000 (\$90,000 and \$119,000 if married), enter "1" for each eligible child plus "1" additional if you have six or more eligible children. 	G _____
H	Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ▶	H _____
For accuracy, complete all worksheets that apply. <div style="display: inline-block; vertical-align: middle;"> <ul style="list-style-type: none"> • If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2. • If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$18,000 (\$32,000 if married), see the Two-Earners/Multiple Jobs Worksheet on page 2 to avoid having too little tax withheld. • If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below. </div>		

----- Cut here and give Form W-4 to your employer. Keep the top part for your records. -----

Form W-4 Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p>▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</p>	OMB No. 1545-0074 <div style="font-size: 2em; font-weight: bold;">2010</div>
1 Type or print your first name and middle initial. _____ Last name _____		2 Your social security number _____
Home address (number and street or rural route) _____		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.
City or town, state, and ZIP code _____		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div>
6 Additional amount, if any, you want withheld from each paycheck		<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div>
7 I claim exemption from withholding for 2010, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ▶		<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div>
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.		
Employee's signature (Form is not valid unless you sign it.) ▶ _____		Date ▶ _____
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional) 10 Employer identification number (EIN)

Exhibit B

Form W-4 (2010)

Page 2

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

1	Enter an estimate of your 2010 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions	1	\$ _____
2	Enter: $\left\{ \begin{array}{l} \$11,400 \text{ if married filing jointly or qualifying widow(er)} \\ \$8,400 \text{ if head of household} \\ \$5,700 \text{ if single or married filing separately} \end{array} \right\}$	2	\$ _____
3	Subtract line 2 from line 1. If zero or less, enter "-0-"	3	\$ _____
4	Enter an estimate of your 2010 adjustments to income and any additional standard deduction. (Pub. 919)	4	\$ _____
5	Add lines 3 and 4 and enter the total. (Include any amount for credits from <i>Worksheet 6</i> in Pub. 919.)	5	\$ _____
6	Enter an estimate of your 2010 nonwage income (such as dividends or interest)	6	\$ _____
7	Subtract line 6 from line 5. If zero or less, enter "-0-"	7	\$ _____
8	Divide the amount on line 7 by \$3,650 and enter the result here. Drop any fraction	8	_____
9	Enter the number from the Personal Allowances Worksheet , line H, page 1	9	_____
10	Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earners/Multiple Jobs Worksheet , also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1	10	_____

Two-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)

Note. Use this worksheet *only* if the instructions under line H on page 1 direct you here.

1	Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet)	1	_____
2	Find the number in Table 1 below that applies to the LOWEST paying job and enter it here. However , if you are married filing jointly and wages from the highest paying job are \$65,000 or less, do not enter more than "3."	2	_____
3	If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. Do not use the rest of this worksheet	3	_____

Note. If line 1 is **less than** line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4-9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

4	Enter the number from line 2 of this worksheet	4	_____
5	Enter the number from line 1 of this worksheet	5	_____
6	Subtract line 5 from line 4	6	_____
7	Find the amount in Table 2 below that applies to the HIGHEST paying job and enter it here	7	\$ _____
8	Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed	8	\$ _____
9	Divide line 8 by the number of pay periods remaining in 2010. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2009. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck	9	\$ _____

Table 1

Table 2

Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	Enter on line 7 above	If wages from HIGHEST paying job are—	Enter on line 7 above
\$0 - \$7,000 -	0	\$0 - \$6,000 -	0	\$0 - \$65,000	\$550	\$0 - \$35,000	\$550
7,001 - 10,000 -	1	6,001 - 12,000 -	1	65,001 - 120,000	910	35,001 - 90,000	910
10,001 - 16,000 -	2	12,001 - 19,000 -	2	120,001 - 185,000	1,020	90,001 - 165,000	1,020
16,001 - 22,000 -	3	19,001 - 26,000 -	3	185,001 - 330,000	1,200	165,001 - 370,000	1,200
22,001 - 27,000 -	4	26,001 - 35,000 -	4	330,001 and over	1,280	370,001 and over	1,280
27,001 - 35,000 -	5	35,001 - 50,000 -	5				
35,001 - 44,000 -	6	50,001 - 65,000 -	6				
44,001 - 50,000 -	7	65,001 - 80,000 -	7				
50,001 - 55,000 -	8	80,001 - 90,000 -	8				
55,001 - 65,000 -	9	90,001 - 120,000 -	9				
65,001 - 72,000 -	10	120,001 and over	10				
72,001 - 85,000 -	11						
85,001 - 105,000 -	12						
105,001 - 115,000 -	13						
115,001 - 130,000 -	14						
130,001 - and over	15						

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws, and using it in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

**ARIZONA FORM
A-4**

Exhibit C
**Employee's Arizona Withholding
Percentage Election**

2010

NOTE: This form is effective for wages paid after June 30, 2010.

Type or print your full name	Your social security number
Home address (number and street or rural route)	
City or town, state, and ZIP code	

Arizona Withholding Percentage Election Options

Choose only one:

- 1 ☐ My annual compensation is \$15,000 or more. I choose to have Arizona withholding at the rate of
(check only one box): ☐ 1.8% ☐ 2.7% ☐ 3.6% ☐ 4.2% ☐ 5.1% of my gross taxable wages.
Additional amount to be withheld per paycheck \$ _____
- 2 ☐ My annual compensation is less than \$15,000. I choose to have Arizona withholding at the rate of
(check only one box): ☐ 1.3% ☐ 1.8% ☐ 2.7% ☐ 3.6% ☐ 4.2% ☐ 5.1% of my gross taxable wages.
Additional amount to be withheld per paycheck \$ _____
- 3 ☐ I hereby elect an Arizona withholding percentage of zero, and I certify that I meet BOTH of the following qualifying conditions for this election:
- I had NO Arizona tax liability for the prior taxable year, AND
 - I expect to have NO Arizona tax liability for the current taxable year.

I certify that I have made the percentage election marked above.

SIGNATURE

DATE

EMPLOYEE'S INSTRUCTIONS

Arizona Revised Statutes (ARS) §43-401 requires your employer to withhold Arizona income tax from your compensation paid for services performed in Arizona for application toward your Arizona income tax liability. Arizona withholding is a percentage of your gross taxable wages of every paycheck.

"Gross taxable wages" is the amount from each paycheck that will be included in box 1 of your federal Form W-2 at the end of the calendar year (i.e. gross wages net of pretax deductions, such as your portion of health insurance premiums). You may also have your employer withhold an additional amount from each paycheck.

Complete this form to elect an Arizona withholding percentage and any additional amount to be withheld from each paycheck. *Give the completed form to your employer.*

Current Employees

ALL EMPLOYEES ARE REQUIRED TO COMPLETE THIS FORM FOR WAGES PAID AFTER JUNE 30, 2010. Complete this form to elect an Arizona withholding percentage and designate an additional amount to be withheld. If you want to increase or decrease the amount of Arizona withholding in the future, you must complete this form again to change the Arizona withholding percentage or change the additional amount withheld.

New Employees

Complete this form within the first five days of employment to elect an Arizona withholding percentage. You may also have your employer withhold an

additional amount from each paycheck. If you do not complete this form, the department requires your employer to withhold 2.7% of your gross taxable wages until your employer receives a completed form from you.

Electing a Withholding Percentage of Zero

You may elect an Arizona withholding percentage of zero if you meet BOTH of the qualifying conditions for the election. You qualify for the election if: (1) you had no Arizona income tax liability for the prior taxable year, AND (2) you expect to have no Arizona income tax liability for the current taxable year.

Note that Arizona tax liability is gross tax liability less any tax credits, such as the family tax credit, school tax credits, welfare tax credits, or credits for taxes paid to other states. If you make this election, your employer will not withhold Arizona income tax from your wages for payroll periods beginning after the date of your election.

You should be aware that zero withholding does not relieve you from paying Arizona income taxes that might be due at the time you file your Arizona income tax return. Keep in mind that in order to elect zero withholding, you must meet BOTH conditions listed above. Therefore, if you have an Arizona tax liability when you file your return or if at any time during the current year conditions change so that you expect to have a tax liability, you should immediately complete a new Form A-4 and choose a withholding percentage that is applicable to your situation.

Employee's Arizona Withholding Percentage Election

Voluntary Withholding Election by Certain Nonresident Employees

Compensation earned by nonresidents while physically performing work or services in Arizona for temporary periods is subject to Arizona income tax. However, under the provisions of ARS §43-403(A)(5), compensation paid to certain nonresident employees is not subject to Arizona income tax withholding. These nonresident employees need to review their situations and determine whether they should elect to have Arizona income taxes withheld from their wages or compensation. Nonresident employees may request that their employer withhold Arizona income taxes from their Arizona source compensation by completing this form to elect an Arizona withholding percentage.

How do I Determine Which Percentage to Elect?

In an effort to assist employees in electing a withholding percentage, the following simple examples are provided for general guidance. However, each employee must take into consideration the particular facts of their own situation and adjust their election accordingly.

If you want to keep your withholding approximately the same as last year, you can use your federal Form W-2 for 2009 or your last pay stub to calculate which withholding percentage to elect. For example, if box 1 of federal Form W-2 shows \$40,000 in wages and box 17 shows \$1,000 in state income tax withheld, divide box 17 by box 1 to determine your percentage ($1,000 / 40,000 = .025$ or 2.5%). In order to keep your withholding the same as 2009, choose 1.8% ($40,000 \times .018 = 720$) and an additional \$10.77 per biweekly pay period ($1,000 - 720 = 280 / 26 = 10.77$). Be sure to take into account any amount already withheld for 2010.

If you want to withhold more, choose one of the higher percentages or choose to have an additional amount withheld.

CAUTION: Underwithholding can result in payment of tax due when you file your Arizona return and/or underpayment penalties.

If you would rather more closely approximate your tax liability from last year, use your tax liability from your 2009 Arizona income tax return. Divide that number by the number of paydays in calendar year 2010. This will be the amount of withholding you will try to have withheld out of each paycheck. For instance, if your 2009 tax liability was \$1,500 and you are paid every two weeks (26 paydays a year) divide \$1,500 by 26 ($1,500 / 26 = 57.69$). This is your withholding goal per paycheck. Next, divide your withholding goal by your biweekly gross taxable wages, \$2,000 in this example, to determine the percentage of withholding to gross taxable wages ($57.69 / 2,000 = .028845$ or 2.88%). An election of 2.7% would result in \$54.00 ($2,000 \times 2.7\% = 54$) withheld for Arizona from each paycheck (\$1,404 annually), while electing 3.6% would result in \$72.00 ($2,000 \times 3.6\% = 72$) withheld for Arizona from each paycheck (\$1,872 annually). Be sure to take into account any amount already withheld for 2010.

Example: This example assumes these wages are your only income and your employment situation is the same as last year. If you are paid every two weeks and last year's federal Form W-2 shows \$52,000 in box 1 and \$1,800 in box 17, \$900 has already been withheld from your paychecks for 2010, there are 13 paychecks remaining in the calendar year, and you want to keep your withholding approximately the same, the following worksheet shows how to keep your Arizona withholding the same.

	Example:		Your Calculation:	
Line 1: Annual gross taxable wages.	\$52,000			
Line 2: Number of paychecks per year.	26			
Line 3: Divide line 1 by line 2. This is wages per paycheck.	$52000 / 26 =$	\$2,000		
Line 4: Annual withholding goal.	\$1,800			
Line 5: Amount already withheld.	\$900			
Line 6: Balance of withholding for the calendar year.	$1800 - 900 =$	\$ 900		
Line 7: Number of paychecks remaining in the calendar year.	13			
Line 8: Divide line 6 by line 7. This is your Arizona withholding goal per paycheck.	$900 / 13 =$	\$69.23		
Line 9: Percentage: divide line 8 by line 3.	$69.23 / 2000 =$	3.4615%		
Line 10: Withholding percentage that is less than line 9. Check this box on line 1 of Form A-4.	2.7%			
Line 11: Multiply line 10 by line 3.	$2.7\% \times 2000 =$	\$54.00		
Line 12: Subtract line 11 from line 8. Enter this amount in the additional amount space on line 1 of Form A-4.	$69.23 - 54.00 =$	\$15.23		

Exhibit D

Town of Clarkdale Employee Timesheet - Public Works

Name:	Employee #: 01-							Week Ending:									
	Sun	Mon	Tue	Wed	Thurs	Fri	Sat	Weekly Total	Sun	Mon	Tue	Wed	Thurs	Fri	Sat	Weekly Total	Pay Period
Date																	
	HOURS WORKED								HOURS WORKED								
Public Works #1-5-3101-6000								0.0								0.0	0.0
Streets - Admin #3-5-0100-6002								0.0								0.0	0.0
Streets #3-5-0100-6000								0.0								0.0	0.0
Cemetery #19-5-0700-6000								0.0								0.0	0.0
CJ School R&M #3-5-1100-6000								0.0								0.0	0.0
Cottonwood R&M #3-5-1200-6000								0.0								0.0	0.0
Fire District R&M #3-5-1300-6000								0.0								0.0	0.0
Mountain Gate - Arch #04-5-3901-6000								0.0								0.0	0.0
Mountain Gate-Safe #04-5-3902-6000								0.0								0.0	0.0
Yavapai Flood #16-5-0004-6000								0.0								0.0	0.0
Special Projects Project: Account #								0.0								0.0	0.0
Special Projects Project: Account #								0.0								0.0	0.0
Utility Projects Project:								0.0								0.0	0.0
Total Hours Worked	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Comp Time Used								0.0								0.0	0.0
Personal Time Off								0.0								0.0	0.0
Sick Time								0.0								0.0	0.0
Total Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Comp Time Banked

Overtime Paid

LWOP

Comp Time Banked

Overtime Paid

LWOP

I verify that the above total hours worked is accurate for this pay period.

Supervisor Signature

Employee Signature

Exhibit E

Request For P.T.O

Request made on: _____
(Date)

Request made by: _____

Date(s) of P.T.O: _____ Full day(s): ☐ yes ☐ no, # of hrs/times: _____

Purpose: _____

Are there any meetings you attend, or take minutes for, etc. that will be taking place during your requested time off? ☐ yes, explain: _____ ☐ no

If the answer is 'yes' to the above, have you assigned someone or requested that someone attend the meeting/take minutes during your requested time off? ☐ yes, name: _____ ☐ no

Other than meetings, are there any other duties that will need to be performed, or deadlines occurring during your requested time off? ☐ yes, explain: _____ ☐ no
(Include dates, type of duties, etc.)

Have you assigned someone or requested that someone assume these duties during your requested time off? ☐ yes, name: _____ ☐ no

Is there anything else that your supervisor, department head or anyone else needs to know during your requested time off? Please explain (add additional sheets of paper if necessary): _____

☐ Approved ☐ Denied, reason denied: _____

Supervisor signature

(This portion to be returned to employee)

Employee name: _____

Your request for P.T.O. on _____ has been: ☐ Approved ☐ Denied
(Dates)

If denied, reason: _____

SUBJECT: CASH RECEIPTS

PURPOSE: To describe the procedure for obtaining and receipting all revenues received by the Town of Clarkdale.

I. PROCEDURE

- A. The Finance Department will disperse all revenue received by mail into Department mail boxes located in Administration Building.
- B. All Town revenues will be receipted through the department responsible for collecting the various payments. All receipts should be recorded through the INCODE software system.
 1. Cemetery payments will be recorded in the Cemetery and Cash Collection module using the INCODE software system. The reports will be balanced at the end of each week. The revenue and all reporting documents will be sent to the Finance Department by 10:00 a.m. of the next business day.
 2. Water, Trash, and Sewer payments will be recorded in the Utility Billing and Cash Collection module of the INCODE software system and balanced at the end of each business day. The revenue and all reporting documents will be sent to the Finance Department by 10:00 a.m. of the next business day. The Utility Department cash drawer will open daily with a \$150.00 change fund.
 3. Community Development related revenue will be recorded in the Business License, Building Project and Cash Collection module using the INCODE software system. The reports will be balanced at the end of each week. The revenue and all reporting documents will be sent to the Finance Department by 10:00 a.m. of the next business day. The Community Development cash drawer will open weekly with a \$100.00 change fund.
 4. Police Department related revenue will be recorded in the Business License and Cash Collection module using the INCODE software system. The reports will be balanced at the end of each week. The revenue and all reporting documents will be sent to the Finance Department by 10:00 am of the next business day. The Police Department cash drawer will open weekly with a \$ 50.00 change fund.

SUBJECT: CASH RECEIPTS

5. Community Services related revenue will be recorded in the Cash Collection module using the INCODE software system. The reports will be balanced at the end of each week. The revenue and all reporting documents will be sent to the Finance Department by 10:00 am of the next business day. The Community Services cash drawer will open weekly with a \$ 50.00 change fund.
6. Court related revenue will be recorded in the AZTEC program provided by the Arizona State Court System. If at any time the Court is not available to take payments, the Finance Department will receipt any payment and forward to Court when they return to the office. All revenue will be balanced as needed depending on the volume and deposits in the Court designated checking. At the end of every month the Court will forward the Cash & Remittance Report along with the checks for all revenues received for the month to Finance Department. The Finance Department then records revenues and liabilities in the Cash Collection module of the INCODE software system.
7. Funds deposited directly to Town bank accounts will be recorded into the Cash Collections module of the INCODE software system when the confirming deposit facsimile arrives, and balanced weekly by the Finance Department.
8. All other payments received will be receipted through the Finance Department. All general receipts will be entered using the Cash Collection module of the INCODE software system. Receipts not assigned an account will be entered in the "Miscellaneous Revenue" account. The general receipts will be balanced on a weekly basis and all supporting documents will be placed in the locked cabinet in Finance Department and balanced out weekly by Finance Department.
9. A deposit slip will be completed by the Accounting Clerk and the receipts deposited into the Town's bank accounts by the Accounting Supervisor a minimum of twice weekly. The deposit receipt will be attached to the INCODE report and verified by the Accounting Supervisor. The report will be filed in a permanent file by the Accounting Supervisor.

SUBJECT: CASH RECEIPTS

- C. The Town Pool will maintain a separate cash register for the receipt of funds when the pool is in operation. The Town Pool register will be closed out daily by the Head Life Guard and the Cashier. The pool register will be balanced and all data will be forwarded to the Community Services Department. The Community Services Department will record all revenue in the Cash Collection module of the INCODE software system. The revenue and all INCODE reporting documents will be sent to the Finance Department by 10:00 a.m. of the next business day. The Pool cash register will open daily with a \$50.00 change fund.
- D. All bank accounts will be reconciled monthly by the Accounting Supervisor and filed in a permanent file.

SUBJECT: CASH DISBURSEMENTS

PURPOSE: To establish standard procedures for the disbursement of funds to vendors for items or services purchased by the Town of Clarkdale in accordance with the approved fiscal year budget, to ensure that all services and items delivered were authorized and accounted for properly, and to maintain accurate vendor files.

I. PROCEDURES

- A. All invoices shall be reviewed by the Department Head to ensure compliance with the approved department budget. Invoices shall be signed by the Department Head and coded based upon the account numbers in the respective budget.
- B. Prior to expending funds for special projects or grant projects, the Department Head shall meet with the Finance Department to arrange for project accounting and issuance of account numbers for coding invoices.
- C. All approved and coded invoices shall be forwarded to the Accounting Clerk in a timely fashion along with applicable receiving documents and purchase orders. The Accounting Clerk batches invoices for payment based on due date and date of invoice receipt. Invoices received at the Finance Department by Tuesday at 3:00pm will be included in the batch to be run on Wednesday. If an emergency check is required, the Finance Director may approve processing of a check outside the normal batch timelines.
- D. The Accounting Clerk shall match all invoices with the receiving documents and "Purchase Orders" (if available).
- E. All vendors must have a "Request for Taxpayer Identification Number and Certification Form -W-9 (Exhibit F) on file with the Finance Department prior to payment of an invoice. If there is no W-9 form on file, a letter of request along with a copy of the W-9 form is sent to the vendor for completion. Upon receipt of the completed W-9 form, the vendor is added to the vendor files and the payment process for the invoice is completed.
- F. The Accounting Clerk shall enter all invoice information into the Accounts Payable module of the INCODE software system as invoices come in. On Wednesday morning the open item register shall be closed and sent to the payment processing packet. Invoices to be paid will be selected based on the due date.
- G. The Accounting Clerk shall then run a "Preliminary Check Register" and review for accuracy. If a correction is necessary the Accounting Clerk shall reenter the corrected data and rerun the "Preliminary Check Register"

SUBJECT: CASH DISBURSEMENTS

- H. Upon completing an acceptable "Preliminary Check Register" the Accounting Clerk shall print the checks and run a "Check Register".
- I. The Accounting Clerk shall forward the approved checks, with the check register, to the Mayor, or Vice Mayor.
- J. The Mayor or Vice Mayor shall review the checks and check register, note any exceptions, and sign the checks. The checks shall then be forwarded to the Town Clerk or Town Manager for the second signature.
- K. The Town Clerk or Town Manager shall review the checks and check register, note any exceptions, and sign the checks. The checks shall then be forwarded to the Accounting Clerk.
- L. The Accounting Clerk shall separate the signed checks and mail the original to the payee. The Accounting Clerk shall attach the invoices and any supporting documentation to the check stub.
- M. The Accounting Clerk shall file the documents in a vendor file and any voided checks in a reconciliation file.
- O. Any checks which need to be voided shall be entered into the INCODE system using the "Check Unpost Process". The Audit report will be attached to the check which was been stamped VOID. This documentation will be placed in the VOID file.

Form W-9
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

**Give form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2:	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Other (see instructions) ▶	<input type="checkbox"/> Exempt payee
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign
Here**

Signature of
U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,